

Message Text

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PAGE 01 STATE 107345
ORIGIN EA-12

INFO OCT-01 EUR-12 ISO-00 ACDA-12 CIAE-00 INR-10 IO-13
L-03 NSAE-00 NSC-05 EB-08 NRC-05 OES-07 SOE-02
DODE-00 DOE-15 SS-15 SP-02 CEQ-01 AID-05 PM-05
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DRAFTED BY EA/PRCM:SSHALLFORD:JO
APPROVED BY EA:WHGLEYSTEN
EA/PRCM:HETTHAYER
OES/NET/NEP:RDEMING
T/D:JNYE
EB/ITP/EWT:WROOT
EUR/WE:JDOBBINS
NSC:MOKSENBERG
ISA/EA-PR:AKRICHESON

-----065973 271046Z /15

R 270034Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY PARIS
INFO USLO PEKING
AMEMBASSY VIENNA
AMCONSUL HONG KONG

S E C R E T STATE 107345

E.O. 11652: XGDS-3

TAGS: TECH, FR, CH, US

SUBJECT: PROPOSED FRAMATOME NUCLEAR REACTOR SALE TO PRC

REF: PARIS 10996, NOTA-

1. FRENCH EMBASSY COUNSELOR JULIENNE, AT HIS REQUEST, MET
APRIL 20 WITH EA DEPUTY ASSISTANT SECRETARY GLEYSTEN TO
DISCUSS THE PROPOSED FRAMATOME SALE TO THE PRC. JULIENNE
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ASSERTED THAT HIS CALL WAS AT THE EMBASSY'S INITIATIVE AND
NOT ON INSTRUCTIONS.

2. GLEYSTEN MADE THE FOLLOWING POINTS TO JULIENNE:
--THE US POSITION ON THE FRAMATOME SALE IS RELATED TO A
BROADER USG STUDY OF EAST-WEST TECHNOLOGY TRANSFERS. THIS
STUDY, WHILE IN ITS FINAL STAGES, IS NOT YET COMPLETE. IF

ITS CONCLUSIONS ARE ACCEPTED, THE US WOULD REQUIRE SAFEGUARDS ON ALL NUCLEAR TRANSFERS FROM THE US, INCLUDING THOSE BY OTHER COUNTRIES INVOLVING LICENSED US TECHNOLOGY, AS IN THE FRAMATOME CASE, TO NUCLEAR WEAPONS STATES AS WELL AS NON-WEAPONS STATES;

--WE UNDERSTAND, HOWEVER, THE PROBLEM THE PRC HAS WITH IAEA SAFEGUARDS, AND SOME OTHER FORM OF SAFEGUARDS MIGHT MEET OUR REQUIREMENTS. A CHINESE STATEMENT THAT THEY WOULD USE THE TECHNOLOGY IN QUESTION EXCLUSIVELY FOR PEACEFUL PURPOSES (PARIS 7282) WOULD, FOR EXAMPLE, NOT BE ACCEPTABLE;

--BECAUSE OF THE IMPORTANCE OF SAFEGUARDS FOR OUR POSITION, IT WOULD BE VERY USEFUL TO KNOW THE FRENCH GOVERNMENT'S THINKING ON THIS ISSUE AND WHETHER THE FRENCH GOVERNMENT HAS RAISED THIS QUESTION WITH THE CHINESE;

--MILITARY SECURITY CONCERNS WILL BE LESS PRESSING IF AN ACCEPTABLE FORM OF SAFEGUARDS IS WORKED OUT. EVEN WITH SAFEGUARDS, HOWEVER, WE WOULD STILL WANT TO CONSIDER WHETHER THE TECHNOLOGY PROVIDES CRITICAL ASSISTANCE TO CHINA'S MILITARY NUCLEAR PROGRAMS; (IN ANSWER TO JULIENNE'S REQUEST FOR ILLUSTRATIONS, GLEYSTEN REFERRED TO THE POSSIBLE TRANSFER OF TECHNOLOGY TO CHINA'S NUCLEAR SUBMARINE PROPULSION PROGRAM AND THE REACTOR'S EFFECT ON CHINA'S PLUTONIUM RESERVES.)

--THE USG WOULD BE VERY HAPPY TO DISCUSS THE ISSUE IN DETAIL WITH GOF EXPERTS.

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3. JULIENNE, WHO MADE LITTLE COMMENT, SAID HE WOULD REPORT FOREGOING AND WOULD ALSO SEEK TO ASCERTAIN FRENCH GOVERNMENT VIEWS ON SAFEGUARDS.

4. THE EMBASSY MAY DRAW UPON THE ABOVE POINTS IN ANY FURTHER DISCUSSIONS WITH THE FRENCH. BY THIS CONVERSATION WITH JULIENNE, DEPARTMENT BELIEVES THAT IT HAS PROVIDED SUFFICIENT PRELIMINARY INDICATION OF LIKELY USG ATTITUDE TOWARD PROPOSED FRAMATOME SALE AND THAT IT IS NOW INCUMBENT UPON GOF TO PURSUE THE ISSUE BY PROVIDING ADDITIONAL DETAILS ON STATUS AND NATURE OF DISCUSSIONS IT OR FRAMATOME HAS HELD WITH THE CHINESE.

5. USG POSITION ON FRAMATOME SALE REVOLVES AROUND TWO BASIC ISSUES: WHETHER WE WOULD INSIST UPON SAFEGUARDS -- AND WHAT SAFEGUARDS -- AS CONDITION OF US APPROVAL; AND WHETHER SUCH A SALE, EVEN UNDER SAFEGUARDS, WOULD BE DETRIMENTAL TO WESTERN SECURITY OR POLITICAL INTERESTS.

6. REGARDING SAFEGUARDS, PRM 31 ON TECHNOLOGY TRANSFER, NOW IN ITS FINAL STATES OF EDITING, RECOMMENDS THAT:

A. THE US REQUIRE SAFEGUARDS ON US NUCLEAR EXPORTS, TO ALL STATES, INCLUDING NUCLEAR WEAPONS STATES;

B. WE URGE OTHER SUPPLIER STATES BILATERALLY TO INSIST UPON SAFEGUARDS ON SUCH SALES TO NUCLEAR WEAPONS STATES;

C. WE NOT APPROVE FOREIGN TRANSFERS INVOLVING US TECHNOLOGY UNLESS SAFEGUARDS ARE ATTACHED.

7. MILITARY-SECURITY CONSIDERATIONS ARE LESS CLEAR-CUT. IF AN ACCEPTABLE FORM OF SAFEGUARDS IS AGREED, THESE

CONSIDERATIONS BASICALLY BOIL DOWN TO A CONCERN THAT THE PRESSURIZED WATER REACTOR TECHNOLOGY IS THE SAME AS THAT
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USED FOR OUR NUCLEAR SUBMARINE PROPULSION. OPPOSING VIEWS WITHIN THE USG ARE BASED UPON THE OPINION THAT CRITICAL TECHNOLOGY USED IN SUBMARINE PROPULSION IS DIS-SIMILAR FROM THAT USED FOR POWER GENERATION AND THAT TECHNOLOGY IS DIRECTLY TRANSFERABLE IN ONLY A FEW LIMITED AREAS. WITHOUT SAFEGUARDS, SECURITY CONCERNS ARE STRENGTHENED ON THE GROUNDS THAT THE SALE WOULD SIGNIFICANTLY IMPROVE CHINA'S CAPABILITY TO PRODUCE PLUTONIUM.
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INFO OCT-01 EUR-12 ISO-00 /025 R

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DRAFTED BY:SCOTT S HALLFORD

APPROVED BY:H E T THAYER

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R 140644Z JUN 78

FM SECSTATE WASHDC

INFO AMEMBASSY BERN 7115

S E C R E T STATE 107345

FOLLOWING REPEAT STATE 107345 ACTION PARIS INFO PEKING,
VIENNA AND KONG KONG DATED APRIL 27, 1978.

QUOTE: S E C R E T STATE 107345

E.O. 11652: XGDS-3

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CANTLY IMPROVE CHINA'S CAPABILITY TO PRODUCE PLUTONIUM.
VANCE UNQUOTE CHRISTOPHER

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Message Attributes

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Draft Date: 27 apr 1978
Decaption Date: 01 jan 1960
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